

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00 RSC-01

/026 W

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R 271825Z JAN 75

FM AMEMBASSY QUITO

TO USDOC WASHDC

INFO SECSTATE WASHDC 4195

C O N F I D E N T I A L QUITO 0631

E.O. 11652: GDS

TAGS: BEXP, EC

SUBJ: WTDR ON BANCO LA FILANTROPICA, GUAYAQUIL, S.A.

FOL RECE FROM GUAYAQUIL 25 JAN 75; REPEATED FOR UR

ACTION/INFO AS INDICATED:

QUOTE:

C O N F I D E N T I A L GUAYAQUIL 133

E.O. 11652: GDS

TAGS: BEXP, EC

SUBJ: WTDR ON BANCO LA FILANTROPICA, GUAYAQUIL, S.A.

REF: A. USDOC 17316 AND 0584 (TO QUITO ONLY)

B. QUITO 350; C. QUITO 419

1. FOLLOWING IS POST'S CONTRIBUTION FOR NEW WTDR ON BANCO LA FILANTROPICA, GUAYAQUIL. WE ARE FORWARDING TO EMBASSY RATHER TO USDOC DIRECTLY AS PER INSTRUCTIONS IN REF C.

2. BEGIN UNCLASSIFIED: ADDRESS: CALLE LUQUE 119-121, P.O. BOX 149, GUAYAQUIL. CABLE: FILANBANCO GUAYAQUIL. TELEX: 043173 FILAN-ED. TELEPHONE: 526906. PRINCIPAL OFFICERS: DR. GONZALO NOBOA ELIZALDE, PRESIDENT OF BOARD OF DIRECTORS, ECUADOREAN, AGE 44; NAHIM A. ISAIAS BARQUET, GENERAL MANAGER, ECUADOREAN, AGE 43; CONFIDENTIAL

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ROBERTO ISAIAS DASSUM, MANAGER, ECUADOREAN, GE 31; AND VICENTE

VILLANUEVA B., MANAGER OF PRINCIPAL BRANCH IN QUITO, ECUADOREAN,  
AGE 34.

3. ESTABLISHED 1908. AUTHORIZED CAPITAL OF 129,602,631.23 SUCRES  
(APPROX. 5.2 MILLION DOLLARS). PRINCIPAL ACTIVITIES: ALL TYPES OF  
BANKING SERVICES. EMPLOYS 690 THROUGHOUT COUNTRY. HAS 35 OFFICES  
IN SEVERAL MAJOR CITIES IN ECUADOR. DOES NOT HAVE REPRESENTATIVES  
IN UNITED STATES, BUT CORRESPONDENTS IN PRINCIPAL CITIES. NO  
FINANCIAL REFERENCES GIVEN. FYI: CENTRAL BANK, WHICH USUALLY HAS  
ONLY GOOD TO SAY ABOUT LOCAL BANKS, IS STANDARD REFERENCE. END FYI.  
NO INFO RE FIRMS REPRESENTED OR TRADE REFERENCES.

4. DATA IN PARAS 2 AND 3 TAKEN FROM WTDR RESPONSE FROM BANK DATED  
JANUARY 16, 1975.

5. ACCORDING TO BALANCE SHEET IN SEPTEMBER-NOVEMBER ISSUE OF GACETA  
BANCARIA (LATEST AVAILABLE), AS OF SEPTEMBER 26, 1974, BANK'S ASSETS  
WERE CURRENT: 2,136,934,611.70 SUCRES (APPROX. 85.5 MILLION DOLLARS);  
FIXED: 98,669,338.57 SUCRES (APPROXIMATELY 3.9 MILLION DOLLARS).  
TOTAL ASSETS: 2,235,603,950.27 (APPROX. 89.4 MILLION DOLLARS).  
LIABILITIES WERE DEPOSITS AND OTHER OBLIGATIONS: 2,132,163,078.06  
SUCRES (APPROXIMATELY 85.3 MILLION DOLLARS). PAID CAPITAL AND  
RESERVES WERE 80,114,608.96 SUCRES (APPROX. 3.2 MILLION DOLLARS).  
PROFITS FOR FIRST 9 MONTHS OF 1974 WERE 838,389.59 SUCRES (APPROX.  
33,536 DOLLARS).

6. CAPITAL STOCK MAJORITY OWNED BY WEALTHY ISAIAS FAMILY WHO ALSO  
OWN OTHER BUSINESS ENTERPRISES IN ECUADOR. THEY REPORTEDLY ALSO 50  
PERCENT OWNERS OF REPUBLIC NATIONAL BANK IN MIAMI (10 NW LEJEUNE  
ROAD) WITH BRANCH IN PANAMA CITY. NAHIM ISAIAS IS REPORTEDLY A DIR-  
ECTOR OF MIAMI OFFICE. ALTHOUGH NO REPLY GIVEN TO WTDR QUESTIONS RE  
BANKING OR COMMERCIAL REFERENCES, LATEST INFORMATION WE OTHERWISE  
HAVE IS THAT SOUTH AND NORTH COMMERCIAL CORP. 667 MADISON AVE., NYC,  
(ALSO CONTROLLED BY ISAIAS FAMILY) IS U.S. REPRESENTATIVE. CHASE  
MANHATTAN BANK, BANKERS TRUST CO., AND BANK OF NEW YORK PREVIOUSLY  
GIVEN AS REFERENCES ON 1970 WTDR. END UNCLASSIFIED.

7. BEGIN LIMITED OFFICIAL USE. LA FILANTROPICA WAS REORGANIZED  
IN 1958 DUE TO PROBLEMS OF UNDISCLOSED NATURE. BANK OF NEW YORK  
REPORTEDLY ASSISTED WITH REORGANIZATION. IN 1961 BANK BOUGHT BY  
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ISAIAS FAMILY AND MAJORITY OF PRESENT BOARD OF DIRECTORS BELONGS  
TO SAME GROUP OF LEBANESE ORIGIN. ALSO IN 1961, BANK REPORTEDLY  
RECEIVED LOAN OF 10 MILLION SUCRES AT 3 PERCENT FOR 20 YEARS FROM  
CENTRAL BANK WITH CENTRAL BANK TAKING MORTGAGES ON ISAIAS PROPERTIES.  
COMMENT: THIS MAY HAVE BEEN RELATED TO LIQUIDITY PROBLEM AT THAT  
TIME. END LIMITED OFFICIAL USE.

8. BEGIN CONFIDENTIAL. ALTHOUGH BALANCE SHEET FIGURES ARE IM-

PRESSIVE IN CONTEXT OF ECUADOREAN PRIVATE BANKS AND WEALTH OF ISAIAS FAMILY CONSIDERABLE, CONSULATE CANNOT GIVE UNQUALIFIED RECOMMENDATION TO BANCO LA FILANTROPICA. ALTHOUGH NO PRECISE, PROVEN DEROGATORY INFORMATION CAN BE OBTAINED, ISAIAS FAMILY SOMETIMES ASSOCIATED WITH UNETHICAL BUSINESS PRACTICES. FURTHERMORE, ISAIAS FAMILY SHARED IN MANAGEMENT OF AZTRA SUGAR MILL FOR 2 YEARS BEFORE GOE FORCED IT TO SELL ITS STOCK; 78 PERCENT OF AZTRA STOCK NOW OWNED BY COMISION DE VALORES. SALE WAS FORCED DUE TO SEVERE FINANCIAL CONDITION OF AZTRA. WE HAVE GENERALLY BELIEVED, AND BANK OF AMERICA (BOA) WHICH INVOLVED WITH AZTRA CONFIDENTIALLY CONFIRMS, THAT ISAIAS FAMILY BEARS IMPORTANT SHARE OF BLAME FOR MISMANAGEMENT OF AZTRA. BOA ALSO BELIEVES THAT PROFIT FIGURE FOR JANUARY-SEPTEMBER 1974 (PARA 5) IS PROBABLY 20-25 PERCENT OF REAL FIGURE, BUT THAT CONCEALMENT OF PROFITS TYPICAL OF LOCAL BANKS.

9. POST WOULD LIKE TO KNOW REASON FOR GMAC INTEREST IN LA FILANTROPICA, WHEN EASIER TO RECOMMEND OTHERS SUCH AS BANCO DEL PACIFICO OR BANCO DE PICHINCHA. THIS EXCLUDES OBVIOUS PROSSIBILITY OF U.S. BANKS SUCH AS CITIBANK AND BANK OF AMERICA, UNLESS FOR POLITICAL REASONS GMAC WISHES TO USE ECUADOREAN BANK.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975QUITO00631  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750030-0209  
**From:** QUITO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750117/aaaaapfg.tel  
**Line Count:** 138  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 USDOC 17316, 75 AND 0584  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08 SEP 2003 by ElyME>; APPROVED <09 SEP 2003 by GolinoFR>  
**Review Markings:**  

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WTDR ON BANCO LA FILANTROPICA, GUAYAQUIL, S.A. FOL RECE FROM GUAYAQUIL 25 JAN 75; REPEATED FOR UR  
**TAGS:** BEXP, EC  
**To:** COM  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006